

REMARKS

In the Office Action mailed February 12, 2008, claims 23, 25, 27-31, 39, 42-44, 47, and 50-57 are pending in the application and stand rejected. Claims 23, 25, 27-31, 39, 42-44, 47, 50-57 stand rejected under 35 U.S.C. 112, first paragraph. Claims 54-57 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter. Further, claims 23, 25, 27-31, 39, 42-44, and 47 stand rejected under 35 U.S.C. 103(a) over U.S. Patent No. 5,842,148 ("Prendergast"), in view of U.S. Publication No. 2004/0139034 ("Farmer"). Applicants amend claims 23, 39, 47, and 54-57, add claims 58-63, and traverse the rejections. No new matter is added. Specifically, support for new claims 58-59 can be found at least at paragraph [0017], Figure 6, and in Figure 2a. Support for new claim 60 can be found at least at paragraph [0051]. Support for new claim 61 can be found at least at paragraph [0028]. Support for new claims 62 and 63 can be found at least at paragraph [0018]. The amendments to claims 23, 39, and 47 are merely to improve form.

Applicants wish to thank Examiners Pass and Morgan for their time and consideration in the telephonic interview conducted with the undersigned on May 28, 2008 in which the rejections of the independent claims were discussed. Examiner Pass agreed to withdraw the § 112 rejection and to reconsider the prior art rejections in light of the Applicants' response.

The Pending Claims Satisfy 35 U.S.C. § 112

The Action asserts that portions of various elements of the independent claim 23 recites new matter. Applicants disagree. First, the Action asserts that the initial disclosure does not support the language, "based on data output electronically by the incorporated technology." An application need not include specific language incorporated into an amended claim to satisfy the first paragraph of Section 112, so long as the subject matter is included or implied in the original version of the disclosure. MPEP § 2163.05

The original version of the application describes or implies the collection of monitoring data output electronically by incorporated technology, at page 14, line 21 – page 15, line 9. This passage describes using "sophisticated real-time polling of the technologies". Such real-time polling is directly contrasted with single or periodic physical inspections of the technologies. Page 14, lines

24-25. In addition, at page 24, lines 1-3, the original specification indicates that the polling may be performed "utilizing communications systems such as the Internet, telephone, or broadcast transmissions." Such polling would not be possible if data was not available electronically. Finally, claim 15 (now canceled), as originally filed recited "scanning periodically an insurable interest to identify sensors and corresponding sensor data associated with risk mitigation technology." Individually, and in combination, these passages clearly contemplate obtaining data electronically output by incorporated technology as recited in claim 23.

The Action also asserts that the original disclosure fails to support determining an alteration to a premium for an insurance policy based on the condition of the building structure indicated in the monitoring data, as is recited by claim 23. This subject matter is disclosed in the original disclosure on page 15, lines 1-14. This passage, as mentioned above, describes collecting real-time polling data from technology incorporated into insured structures. The passage further describes that the polling data can be used to provide alerts of dangerous conditions. Such dangerous conditions are one example of a condition of a building structure. The passage continues to describe using the condition and the alert of the condition as active inputs into the input layer of the neural net, which, in turn, allows "adjustment of insurability status and premium calculation based upon the actual ...functionality of the technologies." Thus, this passage discloses adjusting insurance premium calculations based on the condition of an insured building indicated in monitoring data.

Therefore, independent claim 23 recites no new matter. Accordingly, Applicants request reconsideration and withdrawal of the § 112 first paragraph rejection of claim 23. Independent claims 39 and 44 were rejected based on similar grounds. Claim 47 stands rejected for reciting substantially the same subject matter. Applicants therefore request reconsideration and withdrawal of the § 112 first paragraph rejection of claims 39, 44, and 47, too. Claims 25, 27-31, 50 and 51 stand rejected under § 112 based on their dependency on claim 23. Claims 42, 43, 52 and 53 stand rejected under § 112 based on their dependency on claim 39. Claims 54 and 55 stand rejected under § 112 based on their dependency on claim 44. Claims 56 and 57 stand rejected under § 112 based on their dependency on claim 47. Applicants therefore request reconsideration and withdrawal of the § 112 rejections of claims 25, 27-31, 42, 43, and 50-57, on these grounds, too.

Claims 54-57 also stand rejected under 35 U.S.C. § 112 second paragraph. Applicants submit that the present amendments to these claims obviate the rejections. Applicants therefore request withdrawal of these rejections.

The Pending Claims Patentably Distinguish Over the Cited References

Independent claim 23 relates to a method of insuring a building structure. The method includes an insurance company obtaining monitoring data that indicates the condition of the building structure and determining a premium alteration for an insurance policy covering the building structure based on the condition of the building as indicated in the monitoring data. The monitoring data is output electronically by technology incorporated into the building structure. Neither Prendergast nor Farmer describe, teach, or suggest altering the premium of an insurance policy for any property based on the condition of the property indicated in monitoring data output electronically by technology incorporated into the property.

The Action acknowledges that Prendergast fails to disclose this subject matter. Office Action p. 7. The Action then asserts that this subject matter is described in Farmer at paragraph [0026]. Applicants disagree with this assertion. Paragraph [0026] describes the collection of data for determining premium adjustments for vehicles based on "driving conditions of the vehicle and/or driver characteristics." While this passage uses the term "conditions", in the context of the passage, one skilled in the art would understand the term "driving conditions of the vehicle" to relate to characteristics of how the vehicle is *driven*, e.g., speed, location, road condition, and operator condition. None of the characteristics described in this passage relate to the *condition* of the vehicle, itself.

In contrast, in paragraph [0038], in which Farmer describes collecting information about the condition of a vehicle (e.g., worn brake pads), Farmer fails to describe, teach, or suggest using this information for insurance purposes. Farmer instead describes the disclosed system using the information to obtain quotes for repair services and replacement parts.

Similarly, in paragraph [0044], in which Farmer describes monitoring buildings, Farmer does not describe monitoring the condition of a building. Instead, Farmer describes monitoring the usage of building systems, such as heating and A/C systems, power consumption, and security

systems. Notably, this passage also fails to describe, teach, or suggest how any of this information might be used to adjust the premium of an insurance policy covering the monitored building.

Thus, one skilled in the art, reading Farmer, would not be motivated to modify Prendergast to modify an insurance premium based on the condition of a building, or any other property. Applicants therefore request reconsideration and withdrawal of the § 103 rejection of claim 23.

Claims 25, 27-31, 50, and 51 depend from claim 23 and add further limitations thereto. Applicants therefore request reconsideration and withdrawal of the § 103 rejections of these claims, too.

Independent claims 39, 44, and 47 recite similar limitations as independent claim 23. Claims 42, 43, 52, and 53 depend from claim 39, and add further limitations, thereto. Claims 54 and 55 depend from claim 44, and add further limitations, thereto. Claims 56 and 57 depend from claim 47, and add further limitations, thereto. Applicants therefore request reconsideration and withdrawal of the § 103 rejections of claims 39, 42-44, 47, and 52-57, on these grounds, too.

In addition, various ones of the dependent claims referred to above further distinguish over the cited references. For example, claim 25 recites that the monitoring data indicates the functional status of the incorporated technology. Neither Prendergast nor Farmer teach or suggest this subject matter. The Action suggests Farmer teaches this subject matter in paragraphs [0012], [0017] and [0029]. Applicants disagree. Paragraph [0012] describes determining insurance premium discounts based on vehicle configuration and operational data, including data concerning vehicle operation, driver status, and/or the external environment. The passage does not describe obtaining data regarding the *functional* status of the vehicle or any of the technology incorporated into the vehicle.

Paragraph [0017] likewise fails to disclose monitoring the functional status of technology incorporated into a vehicle. Instead, the cited passage states that a driver can select the features of the vehicle, driver, vehicle operation, and/or external environment which are monitored. The passage fails to describe, teach, or suggest that monitoring of such features may include the functional status of technology incorporated into the vehicle.

Paragraph [0029] similarly falls short of describing, teaching, or suggesting the claimed subject matter. Paragraph [0029] describes the generation and processing of data related to "vehicle operation/driver status or driver behavior." It does not describe, teach, or suggest obtaining monitoring data that includes an indication of the functional status of technology incorporated into the vehicle.

The monitoring of the functional status of technology incorporated into insured property or property to be insured (specifically, technology incorporated into building structures), however, is the explicit subject matter of claim 25. Moreover, the technology whose functionality is being monitored, as recited in claim 23 from which claim 25 depends, is the technology that electronically outputs data from which the monitoring data is based. As Farmer fails to teach or describe the more general step of obtaining data indicating the functional status of technology incorporated into insured property, it necessarily fails to describe, teach, or suggest obtaining functional status data related to technology that electronically outputs the data on which the monitoring data is based. Applicants therefore request reconsideration and withdrawal of the § 103 rejection of claim 25.

Claims 51, 53, 55, and 57 recite that the premium alteration decision is made based at least in part on an attachment point included in the insurance policy. The cited references, individually, and in combination, fail to describe, teach, or suggest this subject matter. The Action asserts that this subject matter is disclosed in paragraph [0034] of Farmer. Applicants disagree.

An attachment point, as known by those skilled in the art of insurance systems, is the point in the total amount of claims paid on a policy in a given policy year above which an insurer is liable for. For example, if an insurance policy attaches at \$10,000, then the insurer is not liable for any losses totaling less than \$10,000 in a given policy year. In contrast to deductibles, an attachment point relates to total claims paid in a given period of time, as opposed to a single incident. In addition, attachment points, particularly in excess insurance or reinsurance, may be substantially higher than a typical deductible. Paragraph [0034] is completely silent with respect to attachment points. The Action specifically suggests the language "premium ranges based on the information" in paragraph [0034] is sufficient to teach basing premium on an attachment point. The "information" referred to in this phrase appears to be "user profile information." Farmer fails to

describe this user profile information including attachment points. Therefore, Applicants request reconsideration and withdrawal of the § 103 rejections of claims 51, 53, 55, and 57.

In view of the above amendment, Applicants believe the pending application is in condition for allowance.

Applicants believe no fee is due with this response other than as reflected on the enclosed Amendment Transmittal. However, if a fee is due, please charge our Deposit Account No. 18-1945, under Order No. HSDO-P01-003 from which the undersigned is authorized to draw.

Dated: July 14, 2008

Respectfully submitted,

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